

Robert Kruszewski  
Department of Mathematics and Mathematical Economics  
Warsaw School of Economics  
e-mail: [rkruz@sggw.edu.pl](mailto:rkruz@sggw.edu.pl)

The role of endogenous government spending in the Hicksian model with  
investment floor and income ceiling.

**Abstract.** We investigate the dynamics of the nonlinear Hicks-type model with investment floor, income ceiling and endogenous government spending. We analyse the impact of government spending on the dynamics of the domestic product. Particular attention is placed on the impact of induced government spending on the dynamics of the model. We determine the equilibria and investigate their local asymptotic stability and investigate how the dynamics of the model depends on the parameters. We present analytical results whenever it is possible and numerical simulations of the more interesting occurrences.